APPENDIX A.

In the St. Louis Court of Appeals.

January Session, 1964.

(Filed Mar. 17, 1964, Rosa C. Curson, Clerk, St. Louis Court of Appeals.)

Republic Engineering & Manufacturing Company, a Corporation, Plaintiff-Respondent,

vs

Milton A. Moskovitz, Micro Precision Engineering Company, a Corporation, and Apex Metal Products Co., a Corporation, Defendants-Appellants,

and

Harry Frankel, Defendant, Cross Claimant-Respondent.

No. 31,424.

Appeal from the Circuit Court, City of St. Louis, Hon. John C. Casey, Judge. Opinion Filed March 17, 1964.

This is an action in equity involving two written contracts. Plaintiff Republic Engineering & Manufacturing Co., the licensee under a patent license agreement, filed its petition praying that defendants Moskovitz, Micro Precision Engineering Co., and Apex Metal Products Co. be enjoined from continuing their breach of the license agreement. Named as only a nominal party in plaintiff's petition, defendant Frankel filed a cross-claim against defendant Moskovitz in which he asked that, in accordance with a contract between them, Moskovitz be compelled to assign to him an interest in certain patent applications. This appeal is brought by defendants Moskovitz, Micro Precision, and Apex Metals from a final judgment and decree granting certain relief to plaintiff Republic Engineering and cross-claimant Frankel. In the interest of

clarity we will consider first the appeals as they relate to plaintiff's complaint.

The facts essential to a decision of the plaintiff's claim are these: defendant Moskovitz is an experienced inventor of automotive parts, including ball joints for front wheel suspension assemblies, in which field he considers himself an expert. In 1950 Moskovitz and cross-claimant Frankel organized a corporation named Republic Engineering & Manufacturing Co. This company was not the plaintiff corporation, and to distinguish between them it will be referred to as Old Republic. Frankel contributed the money to launch Old Republic, and for his part Moskovitz permitted it to manufacture and sell, under an unwritten license, certain automotive replacement parts which Moskovitz had invented. In 1953 Old Republic was operating at a loss. Moog Industries, Inc., a manufacturer of automobile parts for the replacement market, as distinguished from the original equipment market, was not then making ball joint suspension devices but desired to enter that field. To that end it entered into negotiations with Old Republic and its owners, Moskovitz and Frankel. As a result, Old Republic changed its name to Neo-Tech Engineering & Manufacturing Co. Moog formed a wholly owned subsidiary, the plaintiff, Republic Engineering, and two contracts were executed, both on June 17, 1953. The first was an agreement between Neo-Tech as Seller, plaintiff Republic Engineering as Buyer, and Moskovitz and Frankel as Guarantors, whereby Neo-Tech sold its physical assets and good will to plaintiff for $166,884.37. The only portion of this sales contract which is pertinent to the present litigation is paragraph 7 thereof, which reads:

> "7. Seller and Guarantors and each of them, jointly and severally, agree that for the period of five (5) years from and after the date of this Agreement neither Seller nor Guarantors nor any of them will become interested or participate, directly or indirectly,

as owner, employee, stockholder, partner, sales agent, or in any other manner, in any business operating in the United States of America or any part thereof which business in any way competes in the replacement market with the lines of motor vehicle merchandise described as follows: tie rod ends, drag links, ball joint suspension parts, all front end parts, piston rings, leaf springs, coil springs, king bolts and shackles."

Coincidentally with the execution of the sales contract a second written instrument titled "License Agreement" was entered into by Moskovitz, Frankel and Neo-Tech, as licensors, and plaintiff, Republic Engineering, as licensee. The pertinent terms of that agreement will be quoted later. It is presently sufficient to say that the agreement granted plaintiff Republic Engineering the exclusive right to make, use and sell certain automotive devices designed, or to be designed in the future, by Moskovitz, in consideration of the promise of Republic Engineering to pay specified royalties. In addition, the agreement provided that Moskovitz was to work for plaintiff Republic Engineering until December 31, 1953, at a salary of $100 per week.

Following the execution of the sales contract plaintiff took over the machinery, tools, equipment and inventory of Neo-Tech and engaged in the manufacture and sale of some, but not all, of the devices that had previously been produced by Neo-Tech. The employment of Moskovitz by plaintiff did not terminate on December 31, 1953, as contemplated by license agreement, but continued on until August, 1956, when Moskovitz severed the relationship following an altercation with one Cole, the works manager of Moog Industries.

Thereafter, apparently around the early part of 1960, Moskovitz undertook to design other ball joints. His efforts culminated in the development of two types of such

devices for replacement purposes, one for General Motors cars and the other for Chrysler made automobiles. We will refer to them collectively as the Moskovitz ball joints. Some time in February, 1960, Perfect Equipment Corporation of Kokomo, Indiana, which dealt in automotive replacement parts, learned of the development of the Moskovitz ball joints and entered into negotiations with Moskovitz. As a result, Moskovitz caused the defendant Micro Precision Engineering to be incorporated, the stock of which is wholly owned by him. On June 10, 1960, Micro Precision and Perfect Equipment entered into a written agreement in which it was recited that Micro Precision made or had made for it "certain devices" useful with existing automobiles. Micro Precision agreed to sell such devices exclusively to Perfect Equipment, and Perfect Equipment agreed to buy exclusively from Micro Precision in such quantities as it might need. Significantly, the phrase "ball joints for front end suspensions" or similar language was not used in the agreement, and nowhere therein is there any description of the so-called "devices". During the course of the negotiations Moskovitz told the representatives of Perfect Equipment that he had formerly worked for Moog Industries (plaintiff's parent company) and that he had designed Moog's ball joints but had severed the relationship. He did not, however, inform them that he had entered into a license agreement with plaintiff, Republic Engineering, nor did he discuss patents.

Although Perfect Equipment had only a sample ball joint, immediately after the execution of the contract with Micro Precision it endeavored to sell the Moskovitz ball joints, and took orders pending delivery. Some indication of Perfect Equipment's success may be gathered from the fact that the initial order it placed with Micro Precision was for 10,000 units for one make of car, and its second order was for 42,000 units for four other makes.

Both of these orders were placed with Micro Precision before or about the time defendant, Apex Metal Products, which manufactured the ball joint assemblies for Micro, made its first shipment.

Plaintiff first learned of the development of the Moskovitz ball joints in February, 1961, when they were exhibited in Perfect Equipment's booth, manned by Moskovitz, at the annual show of the Automotive Service Industry Association in Los Angeles. Shortly thereafter plaintiff obtained some of the Moskovitz ball joints which Perfect Equipment was selling, examined and tested them, and reached the conclusion that they came within the scope of the exclusive license agreement which Moskovitz had granted to it. By a letter dated March 28, 1961, plaintiff Republic advised Moskovitz that it understood that he had evolved substantial improvements in tie rod ends and ball joint designs coming within the scope of its exclusive license agreement, and that he was producing and selling them. Plaintiff demanded that Moskovitz supply it with all pertinent information regarding such improvements, which it claimed he was obligated to do under its license agreement, and that he cease and desist from producing and selling such devices in violation of that contract. Moskovitz did not answer plaintiff's letter. Plaintiff thereupon caused applications for patents on the Moskovitz ball joints in the name of Moskovitz to be prepared, and requested Moskovitz to sign the applications. He refused to do so on the grounds that the Moskovitz ball joints were not new or novel, and that they therefore were not patentable. As authorized by the patent laws, 35 U. S. C. A., Sec. 118, plaintiff Republic thereupon filed the unsigned applications with the Patent Office, supported by affidavits as to its interests. The evidence showed that the applications were pending at the time this cause was tried. Plaintiff also learned that Moskovitz or Micro Precision was having defendant Apex

Metal Products manufacture the Moskovitz ball joints. By a letter dated April 24, 1961, plaintiff advised Apex that under plaintiff's license agreement with Moskovitz it had the exclusive right to make and sell the ball joint devices which Apex was making, warned Apex that it was aiding and abetting Moskovitz to breach his contract, and called upon Apex to stop manufacturing such devices forthwith, on pain of being held responsible. Apex was advised by Moskovitz' lawyer to pay no attention to the letter. It did not discontinue making the Moskovitz ball joints until around August 1, 1961, more than two months after plaintiff Republic had filed its petition herein on May 17, 1961.

On the same day plaintiff's petition was filed an order to show cause was issued. After a hearing thereon, and on condition that plaintiff post a bond for $75,000, which was filed, the court on August 21, 1961, issued a temporary injunction restraining and enjoining the defendants from manufacturing and selling the Moskovitz ball joint devices. Trial on the merits began on October 9, 1961, and was completed on November 8, 1961. It was developed by the evidence that between the time the temporary injunction had been granted and the trial begun Moskovitz and Micro Precision had shipped to Perfect Equipment in Indiana all of the tools, dies and other equipment used in the manufacture of the Moskovitz ball joints.

On May 28, 1962 the chancellor entered an interlocutory decree, appointed a referee for the purpose of determining plaintiff's damages, and specifically reserved jurisdiction for further proceedings. Subsequently the parties filed a stipulation wherein they agreed that the court should assess damages of $2,000 in favor of plaintiff and against defendants Moskovitz and Micro Precision as the result of the sale of the Moskovitz ball joints sold up to May 28, 1962. Reservations regarding the non-prejudicial effect of the stipulation were incorporated therein. The next

day, July 10, 1961, the chancellor entered his final judgment, order and decree. The essence of his findings which are pertinent to defendants' appeal (as to plaintiff's claim) were that the license agreement is a valid, legal and enforceable contract, and is not in restraint of trade, as claimed by defendants; that the scope of the agreement included all ball joint devices designed by Moskovitz, whether patentable or unpatentable (an issue which the trial court expressly declined to decide); that the Moskovitz ball joints were in fact improvements in such devices; and that by making and selling them through Micro Precision, which he controlled, Moskovitz, aided and abetted by Apex, was violating plaintiff's exclusive license agreement. By the decree Moskovitz, Micro Precision, and Apex were restrained and enjoined from manufacturing and selling, directly or indirectly, the Moskovitz ball joints; Moskovitz and Micro were ordered and directed to return to the custody of Moskovitz in St. Louis, the tools, dies and other equipment previously used by Apex in the manufacture and assembly of the Moskovitz ball joints, and to retain the same; the counterclaim of Moskovitz and Micro Precision by which they sought to have plaintiff's exclusive license agreement declared invalid was denied; and plaintiff was awarded a judgment for $2,000 against Moskovitz and Micro Precision.

While the defendants have raised eight points in their brief, some of which contain as many as four subpoints, the fundamental issues we are called upon to decide involved the proper construction of the agreement, its validity, and the propriety of the relief granted plaintiff. This is true because the very foundation of plaintiff's claim for relief is its exclusive license agreement. Preliminarily it is appropriate to point out that while they are recognized by statute, 35 U. S. C. A., Sec. 261, license agreements are purely contractural in nature. Contour Chair-Lounge Co. v. Laskowitz, Mo., 330 S. W. 2d 817;

Westinghouse El & Mfg. Co. v. Tri-City Radio El Supply Co., 8 Cir., 23 F. 2d 628; Ellis, Patent Licenses, 3rd Ed., Sec. 1, p. 2. And that the usual principles of contract law govern the construction of such agreements. U. S. Industries, Inc. v. Cameo, Incorporated, 5 Cir., 277 F. 2d 292; 69 C. J. S., Patents, Sec. 249, p. 770; Ellis, supra, Sec. 1, p. 2.

The initial issue on which the parties divide involves the habendum and certain of the recital or whereas clauses of the license agreement. Paragraph 2, the habendum, reads:

> "2. Licensors jointly and severally grant to Licensee the exclusive right and license to make or have made, use and sell throughout the United States, under the hereinbefore designated patent and patent applications, including any reissue, divisional, continuation applications filed or patents issuing thereon, and under any and all future improvements made or acquired by said Licensors or either of them, moveable joint devices as described on pages 2 and 3 hereof for any of the purposes hereinbefore specifically or generally stated, such exclusive rights, however, to be limited to the 'replacement' market, as that term is understood in the trade and as distinguished from the 'original equipment' market. * * *"

The "hereinbefore designated patent and patent applications" referred to in paragraph 2 are described in the first two recital clauses as letters patent No. 2,569,823 issued to Moskovitz and Frankel on October 2, 1951, entitled "Self-Lubricated Steering Knuckle Joint"; application for letters patent Serial No. 210,247 filed by Moskovitz on February 9, 1951, entitled "Joint"; and application for letters patent Serial No. 235,780 filed by Moskovitz on July 9, 1951, entitled "Lubricant Sealed Tie Rod Joint." It will be noted that in addition to a license on the enumerated patent and patent applications, by

paragraph 2 plaintiff as licensee was also granted an exclusive license on "* * * any and all future improvements made * * * by said Licensors * * * (on) movable joint devices as described on pages 2 and 3 hereof * * *." This is a reference to the sixth paragraph of the recitals which appear on pages 2 and 3 of the agreement, and provides:

> "And Whereas, the Licensee is desirous of obtaining the exclusive right to manufacture, use and sell movable joint devices covered by any or all of the above identified patent and patent applications and any and all improvements in movable joints made or acquired by said Licensors, or either of them, in and for the purpose known in the trade as the 'replacement' market as distinguished from the 'original equipment' market. As presently understood, movable joint devices to be made or contemplated to be made will be of the ball type or substantially equivalent universally or semi-universally movable types of joints suitable in and to be used for one or more of the following purposes:
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> "1. For automotive steering assemblies including steering arm joints, drag link ends, and tie rod ends;
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> "2. For automotive wheel mounting and suspension assemblies including ball joint mounting and suspension parts;
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> "3. Movable joint devices for other automotive parts, mountings, and assemblies; but this enumeration of purposes is illustrative only and does not limit the generality of this license to cover all of the aforesaid types of movable joint devices covered by any present or future patent or patent application owned or acquired by said Licensors or either of them."

Defendants contend that the agreement should be construed as granting a license on only those future improvements which are advancements or betterments of

the patent and patent applications enumerated in the first two recital clauses. But neither paragraph 2, the granting paragraph, nor any other clause contains any words of limitation restricting the scope of the license to improvements on the specified patent and patent applications, as in Meissner v. Standard Ry. Equipment Co., 211 Mo. 112, 109 S. W. 730, cited by defendants. On the contrary, the reference in paragraph 2 is to improvements in movable joint devices "as described on pages 2 and 3 hereof * * *"; and what is described on those pages is what may be called a field or type of such devices, defined therein as "* * * of the ball type or substantially equivalent universally or semi-universally movable types of joints * * *." Certain purposes for which such types of movable joint devices may be suitable for use in automobiles are mentioned, but the broad scope of the improvements included in the license is ensured and emphasized by the concluding admonition that "* * * this enumeration of purposes is illustrative only and does not limit the generality of this license to cover all of the aforesaid types of movable joint devices * * *." When, as here, the language of a contract is clear and unambiguous there can be no construction of it because there is nothing to construe. Leggett v. Missouri State Life Ins. Co., Mo., 342 S. W. 2d 833; Mickelberry's Food Products Co. v. Haeussermann, Mo., 247 S. W. 2d 731.

The second issue on which the parties differ also involves paragraph 2 and the sixth clause of the recitals, as well as other parts of the contract. Defendants argue that if the agreement is to be interpreted to encompass improvements in the **field** of movable joint devices it must be construed to include only those improvements which are patentable; that the burden of proof was on plaintiff to prove the patentability of the Moskovitz ball joints; that plaintiff failed to meet its burden; and that in fact the evidence showed that such ball joints would not meet the

requirements of patentability laid down in 35 U. S. C. A., Sec. 101, et seq. It would appear that in the court below plaintiff apparently accepted defendants' challenge regarding the patentability of the Moskovitz ball joints, for considerable testimony was elicited from the expert witnesses of both parties regarding the nature of the improvements inherent in such ball joints, and their patentability. However, the chancellor expressly declined to rule on the patentability of the Moskovitz ball joints. He held that it was unnecessary to do so because the license agreement included all improvements made by Moskovitz in the field of movable joint devices, whether patentable or unpatentable; and that the ball joints in question were in fact improvements in that field. Whatever may have been its position below, plaintiff here contends that under the agreement its exclusive license covers all improvements made by Moskovitz in the foregoing field, regardless of their patentability. The parties seem to agree that the Moskovitz ball joints are improvements in the field of movable joint devices. Thus what we are called upon to decide is the scope of the agreement.

The cardinal rule for the construction of contracts is to ascertain the intention of the parties, from a consideration of the four corners of the instrument, if that is possible, and to give effect to that intention. St. Louis Union Trust Co. v. MacGovern & Co., 297 Mo. 527, 249 S. W. 68; Kalen v. Steele, Mo. App., 341 S. W. 2d 343; 17A C. J. S., Contracts, Sec. 296 (1), p. 69. With that primary rule in mind we turn to an examination of the agreement in question to determine therefrom, if we can, the intention of the parties as of the time they entered into their contract.

We find the first such indication of intention in paragraph 2. It will be recalled that by that paragraph, previously quoted, Moskovitz granted plaintiff, an **exclusive** license on certain enumerated patent and patent applications, and on future improvements in the field of movable

joint devices. Only the issuance of a patent gives an inventor the right to exclude others from appropriating his invention, and that for only a limited time. 35 U. S. C. A., Sec. 154; Bloomer v. McQuewan, 14 How. 539, 14 Law. Ed. 532. Because it is the patent which confers a monopoly upon the patentee. Continental Paper Bag Co. v. Eastern Paper Bag Co., 210 U. S. 405, 28 S. Ct. 748, 52 L. Ed. 1122. Under the common law an inventor does not have any special right to his invention, except, perhaps, to keep it a secret. Walker on Patents, Deller's Ed., Vol. 3, Sec. 220, p. 1152; Hopkins on Patents, Vol. 1, Sec. 3, p. 7. He has, of course, the right to make, use and vend his own invention, but if he voluntarily discloses his invention, as by offering it for sale, the world is free to copy and use it with impunity. Restatement of the Law of Torts, Sec. 757; Reddi-Wip, Inc. v. Lemay Valve Co., Mo. App., 354 S. W. 2d 913. The right of exclusion is so dependent on a patent that even though an inventor has applied for a patent he cannot maintain an action for infringement prior to the time it is issued. Gayler v. Wilder, 51 U. S. 477, 13 L. Ed. 504. While he and his assignee or licensee may have an inchoate right to its exclusive use, the potential right does not become a reality until the patent is actually issued. Gayler v. Wilder, supra. The evidence is undisputed that the license agreement was prepared by competent patent counsel. In view of the foregoing state of the law it would appear obvious that when Moskovitz attempted to grant, and plaintiff to obtain, an **exclusive** license on future improvements they had in mind only those improvements which would be patentable. For Moskovitz could not grant that which he did not have, or could ever acquire, and neither he nor plaintiff, his licensee, could ever have or acquire the right to exclude others unless and until a patent was actually granted on his improvement.

A second indication of the intention of the parties appears in the foregoing sixth recital clause. The license

granted by paragraph 2 was not to "all future improvements" but to "* * * all future improvements * * * as described on pages 2 and 3 hereof * * *," a reference to the sixth clause of the recitals. While the words "all future improvements" appear in the forepart of that clause, immediately following the illustrations used appears the following: "* * * but this enumeration of purposes is illustrative only and does not limit the generality of this license to cover all of the aforesaid types of movable joint devices **covered by any present or future patent or patent application owned or acquired by said Licensors or either of them.**" (Emphasis supplied.) The term "future patent" obviously means a patent actually issued to Moskovitz. The words "future * * * patent application * * *" can only refer to an improvement honestly and conscientiously deemed to be patentable. For an application cannot legally be filed on an invention known by the inventor to be unpatentable, 35 U. S. C. A., Sec. 101-103. And one who makes an application for a patent known to him to be unpatentable makes a false and perjured oath. 35 U. S. C. A., Sec. 111, 115. Therefore the language emphasized clearly indicates, we believe, that it was the intention of the parties to the agreement to limit its scope to only those future improvements which were patentable.

Further indications of that intention appear in other provisions of the contract which are made to depend on the matter of patentability. Thus by paragraphs 4, 5 and 6 plaintiff agreed to pay royalties on the net sales of only those future improvements "* * * covered by * * * any patent applications filed or acquired by Licensors and patents obtained thereon or otherwise acquired by Licensors * * *." By paragraph 18 the licensors agreed to apply for and diligently attempt to obtain patents on "all improvements"—a covenant which, as we have pointed out, they could not legally fulfill if the improvement was not

patentable. Even the duration of the license agreement is made to depend upon the issuance of a patent on a future improvement, for paragraph 20 provides that the contract shall extend for the life of the issued patent or "* * * for the life of the last to expire of any patent which may issue on any patent applications which may be filed hereafter on applicable improvements acquired or made by Licensors coming within the scope of this license agreement * * *." In short, the theme of patentability appears again and again throughout the length of the agreement.

Lastly, to construe the contract as contended for by plaintiff would lead to an absurd result, and would give the contract the effect of an unreasonable contract not to compete. As we have heretofore pointed out, unless the future improvement on which the license was granted is patentable, neither Moskovitz, nor plaintiff have any right to exclude others from making or selling it. Were we to construe the scope of the agreement as including unpatentable improvements, as plaintiff requests, the result would be that any one could make and sell the improvement—except Moskovitz. In effect this would convert the license agreement as to future improvements into a compact on the part of Moskovitz not to compete with plaintiff. This despite the fact that that subject was expressly covered in the sales contract executed coincidentally with the license agreement. Since the license will extend to at least 1972, and since the area included is not limited but extends to the entire United States, such a contract would be unreasonable and therefore unenforceable in a court of equity. Mallinckrodt Chemical Works v. Nemnich, 169 Mo. 388, 69 S. W. 355; Renwood Food Products v. Schaefer, 240 Mo. App. 939, 223 S. W. 2d 144; Reddi-Wip, Inc. v. Lemay Valve Co., Mo. App., 354 S. W. 2d 913.

A patentee may, of course, assign a patent or license another thereunder, and as part of his contract may le-

gally agree that the assignment or license shall extend to and include future patentable improvements. Littlefield v. Perry, 21 Wall. 205, 22 L. Ed. 577; Transparent-Wrap Mach. Corp. v. Stokes & Smith Co., 329 U. S. 637, 67 S. Ct. 610, 91 L. Ed. 563; Ellis, Patent Licenses, 3rd Ed., Sec. 3, p. 4. The rationale by which the contract to assign or license future improvements is justified is that an improvement may jeopardize or destroy the value of the patent assigned or the license granted, and that the purpose of the agreement is to safeguard the future of the assignees or licensee's business. Printing & Numerical Registering Co. v. Sampson, L. R., 19 Eq. 462; Chadeloid Chem. Co. v. H. B. Chalmers Co., 2 Cir., 243 F. 606; A. B. Dick Co. v. Fuller, 198 F. 404; Reece Folding Mach. Co. v. Fenwick, 1st Cir., 140 F. 287; Aspinwall v. Gill, 32 F. 697; Consolidated Ry. Elec. & Eq. Co. v. United States L. & H. Co., 77 N. J. E. 285, 78 A. 684. Equity will therefore enforce such a contract when the improvement is **patentable**. Transparent-Wrap Mach. Corp. v. Stokes & Smith Co., supra; Chadeloid Chem. Co. v. H. B. Chalmers Co., supra; A. B. Dick Co. v. Fuller, supra; Flakice Corp. v. Short, 2 Cir., 115 F. 2d 567. But no case has been cited to us, nor has our research disclosed one, in which an agreement to assign or license a future **unpatentable** improvement was enforced. Since the assignor or licensor of the original patent would have no right or title to an unpatentable improvement which he could convey, a court of equity would not require a futile act by ordering him to convey that which he does not own. Kennedy v. Hazelton, 128 U. S. 667, 9 S. Ct. 202, 32 L. Ed. 576; Crook v. Bendix Aviation Corp., 68 F. Supp. 449.

In the light of the foregoing it is our opinion that when the intention of the parties as of the time they executed the license agreement is gathered from a consideration of the entire instrument, Industrial Bank & Trust Co. v. Hesselberg, Mo., 195 S. W. 2d 470, the conclusion is inescapable that the scope of the contract was intended

to be limited to those future improvements which were patentable.

However, our conclusion regarding the scope of the license agreement is not to be considered as a blanket approval of all of Moskovitz' actions. On the contrary, it is obvious that in certain respects he breached the contract, as the chancellor found. We concur with the chancellor's opinion that by the terms of the contract Moskovitz was under the duty to inform the plaintiff of all improvements he designed in the field of movable joint devices for automotive replacement purposes, and to furnish plaintiff with drawings disclosing the same, whether or not he considered the improvement to be patentable. He failed and refused to do so. We also share the chancellor's view that by paragraph 13 of the license agreement plaintiff has the right to make the initial decision regarding the patentability of a movable joint device submitted to it by Moskovitz. The evidence is clear that plaintiff considered the Moskovitz ball joints to be patentable improvements in the art, and there is nothing in the record to indicate any unreasonableness or lack of good faith in its part in reaching that decision. By the same paragraph, when requested to do so, Moskovitz is obligated to apply for and diligently attempt to obtain a patent on a device designed by him which plaintiff in good faith decides is patentable. Plaintiff requested Moskovitz to apply for a patent on the subject ball joints, but he refused to do so on the grounds that they were not patentable. But it is apparent that when the parties entered into the agreement they recognized that there might be honest differences of opinion arise between them on the question of patentability, for it is further provided in paragraph 13 that if Moskovitz does not prosecute an application for a patent, plaintiff has the right to "* * * attempt to procure patents of the United States on such improvements as are thought to be patentable by Licen-

see . . . ." While plaintiff originally prayed that Moskovitz be required to cooperate with it in the preparation of patent applications, and to sign them, this issue apparently became moot when thereafter plaintiff availed itself of its right to apply for a patent. The plaintiff's evidence showed that its application had not been finally passed on and was still pending in the Patent Office at the time the case was tried and submitted. So far as we know from what is before us, it remains in that status.

The remaining equitable relief sought by plaintiff was an injunction restraining defendants Moskovitz, Micro Precision, and Apex Metals from violating the license agreement by making and selling the Moskovitz ball joints. The judgment and decree granting such relief is vigorously attacked by those defendants. Assuming that the continuing breach of the contract was such as a court of equity might enjoin, it is apparent that plaintiff was entitled to relief only if the Moskovitz ball joints were within the scope of the license agreement. Viewing the contract in the light of the construction we have given it, such ball joints are not within the scope of the agreement unless they are patentable. Thus, the ultimate and decisive question in plaintiff's claim for relief is whether Moskovitz ball joints are patentable. This issue the chancellor expressly declined to decide. We are of the opinion that because of the circumstances presently existing in this case we are without jurisdiction to resolve that issue.

By Art. I, Sec. 8 of the Constitution of the United States, Congress is given the power to promote the progress of science and the useful arts by granting to an inventor for a limited time the exclusive right to his discovery, and to make all laws necessary and proper for carrying that express power into execution. While other Federal officers were originally authorized to issue patents, Butterworth v. Hoe, 112 U. S. 50, 5 S. Ct. 25, 28 L. Ed. 656, in 1836 Congress created the Patent Office, the chief officer

of which was called the Commissioner of Patents, Act of July 7, 1836, Ch. 357, 5 Stat. 117. A comprehensive procedure was provided therein for passing on applications for patents. By that Act it was made the duty of the Commissioner to issue a patent if he deemed the invention to be sufficiently useful and important, and since 1839, (Act 1839, Ch. 88, 5 Stat. 354) the decision of the Commissioner as to the patentability of an invention, so far as the Patent Office is concerned, is final and conclusive. Appeals were provided from his decision, however, by an unsuccessful inventor and in interference cases. See Butterworth v. Hoe, supra; United States v. Duell, 172 U. S. 576, 19 S. Ct. 286, 43 L. Ed. 559. In general, the procedure established and the authority of the Commissioner of Patents remains the same today. 35 U. S. C. A., Secs. 101; 131. It has been said that "• • • in deciding whether a patent shall issue or not, the Commissioner acts on evidence, finds the facts, applies the law and decides questions affecting not only public but private interests; • • • and in all this he exercises judicial functions." United States v. Duell, 172 U. S. 586. See also Butterworth v. Hoe, 112 U. S. 59, where it was said that the action of the Commissioner in passing upon the patentability of an invention is "• • • essentially judicial in its character • • •."

According to plaintiff's own evidence, it has applied for a patent on the Moskovitz ball joints, as it had a right to do under the license agreement when Moskovitz refused to apply. So far as the record before us shows, that application is still pending and no final determination of patentability has been made by the Commissioner of Patents. Thus, what we would be required to decide, were we to pass upon the patentability of the Moskovitz ball joints, is the very question presently pending before the Commissioner. This we cannot do. Congress has given the sole authority to the Commissioner of Patents to

initially make that decision. As was said in Hoeltge v. Hoeller, 2 Bond 386, 12 F. Cas. 289, F. Case No. 6,574: "* * * It is made, by law, the official duty of the commissioner of patents to pass upon all applications for patents, and a court can not anticipate his action by taking jurisdiction of the question, whether a pending application for a patent will or will not be granted." And in Standard Scale & Foundry Co. v. McDonald, Cir. Ct., W. D. Mo., 127 F. 709, it was held that an applicant for a patent, while his application is pending, could not sue in equity to enjoin the defendant from using the invention even though it was shown that the applicant was the original inventor and that the defendant had by fraud secured a patent to the invention. There it was said that, "* * * it never was the mind of Congress that the inventor, without complying with the statutory scheme of submitting his claim to the Patent Office for its action thereon, could go into a United States court in the first instance to have determined the question of his right to a patent, and the exclusive use of the claimed invention" (127 F. 710). Since the authority to decide in the first instance whether an invention is patentable is vested by the Congress in the Commissioner of Patents, and since in arriving at this decision he exercises a quasi-judicial function, whatever decision we might reach regarding the patentability of the Moskovitz ball joints would not be binding on the Commissioner. Were we to try to anticipate his decision we might be placed in the awkward position described in Hoeltge v. Hoeller, supra, 12 F. Cas. 290: "* * * If the injunction prayed for should be allowed, and the complainant should fail in his application for a patent, this court would be placed in the position of entertaining jurisdiction and granting relief in a case in which the complainant had not the shadow of either legal or equitable right."

When the license agreement is considered as we have construed it, the contract is not invalid for any of the

reasons alleged by defendants Moskovitz and Micro Precision and the court's action in dismissing their counterclaim was correct.

We turn now to a consideration of defendant Frankel's cross-complaint against Moskovitz. This requires a further statement of the facts. On June 15, 1953, two days before the execution of the license agreement and sales contract with plaintiff, Frankel, Moskovitz and Neo-Tech (Old Republic) entered into an agreement setting forth what their respective rights and obligations would be after the license and sale to plaintiff. Moskovitz agreed therein that in addition to the interest in patents theretofore assigned to Frankel he would assign to the corporation, or in the alternative to Frankel at the latter's direction, a fifty percent interest in "• • • all future patents issued and patent applications applied for and any improvements thereon • • •" concerning certain enumerated automotive devices, including ball joint suspensions. It appears from the evidence that in 1958 certain litigation was then pending in the St. Louis County Circuit Court in which Frankel was the plaintiff and Moskovitz and one Leon Fine were the defendants. Fine is not identified, nor does the nature of the litigation appear in the record. All that appears is that in accordance with a stipulation, the court on or about July 2, 1958, entered a consent decree adjudging the contract of June 15, 1953, to be a valid agreement, supported by adequate consideration; ordering Moskovitz to assign to Frankel a fifty percent interest in a long list of designated patents and pending patent applications, none of which include the presently involved Moskovitz ball joints; and directing Moskovitz to also assign to Frankel any patents issued on such specified applications, and any improvement thereon, "• • • together with any patent applications now filed or to be made in the future **by Moskovitz** : • •" (Emphasis supplied) on (among other devices) ball joints suspensions.

Admittedly, Moskovitz has not been issued a patent on the Moskovitz ball joints, nor has he applied for one. Whether he should have applied for one or more patents on such devices cannot be determined until the patentability of the Moskovitz ball joints is determined. What we have said regarding our lack of jurisdiction to presently decide that issue is likewise applicable to Frankel's cross-claim against Moskovitz.

The motion of plaintiff Republic Engineering and Manufacturing Company to either affirm the judgment or to dismiss the appeal for failure to comply with the rules, is denied.

For the reasons stated it follows that that part of the judgment and decree dismissing the counter-claim of defendants Moskovitz and Micro Precision Engineering Company should be affirmed, that the remainder of the judgment and decree should be reversed, and the cause should be remanded for further proceedings not inconsistent with this opinion. The Commissioner so recommends.

Russell H. Doerner,
Commissioner.

Per Curiam:

The foregoing opinion by Doerner, C., is adopted as the opinion of this court.

Accordingly, the motion of plaintiff Republic Engineering and Manufacturing Company to either affirm the judgment or to dismiss the appeal for failure to comply with the rules, is denied; that part of the judgment and decree dismissing the counter-claim of defendants Moskovitz and Micro Precision Engineering Company is affirmed, the remainder of the judgment and decree is reversed, and the cause remanded for further proceedings not inconsistent with this opinion.

E. M. Ruddy, Presiding Judge, concurs.

John J. Wolfe, Judge, concurs.

Lyon Anderson, Judge, concurs.

APPENDIX B.

In the Circuit Court of the City of St. Louis,
State of Missouri.

Republic Engineering & Manufacturing Co., a Corporation, Plaintiff, vs. Milton A. Moskovitz, Harry Frankel, Micro Precision Engineering Co., a Corporation, Apex Metal Products Co., a Corporation, Defendants.	Cause No. 37,875. Division No. 3.

Final Order, Judgment and Decree.

This cause having come on for hearing October 9, 1961, with all parties thereto represented by counsel and announcing ready and said cause continuing to be heard from day to day until November 8, 1961, and various memoranda and briefs of counsel for all parties hereto having been filed together with requested findings of fact and conclusions of law, this cause was submitted to the Court on November 24, 1961, and the Court having duly considered the evidence adduced, including a stipulation filed July 9, 1962, and such memoranda, briefs and requested findings the Court does enter this Final Order, Judgment and Decree which includes its Findings of Fact and Conclusions of Law, and Order and Judgment entered thereon.

Findings of Fact.

This cause having been heard and submitted, this Court does find from the evidence the facts to be as set forth in the following findings of fact.

1. Republic Engineering & Manufacturing Company, plaintiff, is a corporation organized under the laws of the State of Missouri, with a place of business at 6565 Wells Avenue, Wellston, Missouri; and all of its stock is owned by Moog Industries, Inc., a corporation of Missouri, having its place of business at the same address, and under the evidence the acts of Moog Industries, Inc., are considered as the acts of plaintiff.

2. Defendant, Milton A. Moskovitz, is a resident of St. Louis County, Missouri. Defendant, Micro Precision Engineering Company is a corporation of Missouri, having an office at 8531 Antler Drive, Richmond Heights, Missouri, and is wholly owned and controlled by defendant Moskovitz and the acts of one are considered as the acts of the other.

3. Defendant, Apex Metal Products Company, is a corporation of Missouri, with an office at 715 Victor Street, St. Louis, Missouri.

4. Defendant, Harry Frankel, is a citizen of Missouri, and a resident of 4221 Prather Avenue in the City of St. Louis, Missouri.

5. Defendant Frankel is only a proper nominal defendant in the Case. No complaint was made against him by the petition and no relief was sought from him.

6. The Defendants Moskovitz and Frankel are each the owners of a one-half (½) interest in certain United States Letters Patents, and in certain applications for Letters Patents of the United States, and said Defendants are each the owners of a one-quarter (¼) interest in United States Letters Patents in which Moskovitz and John E. Collier are co-inventors. The Defendant Moskovitz has heretofore assigned a one-half interest in the patents and applications to Defendant Frankel, except that in the case

of the patents issued to Moskovitz and Collier, Moskovitz has heretofore assigned a one-quarter interest to Frankel.

Said patents and patent applications are as follows:

Ser. No.	Filing Date	Inventor	Pat. No.	Issue Date	Title
761,252	7/16/47	Moskovitz	2,569,823	10/ 2/51	Self-Lubricated Steering Knuckle Joint
210,247	2/19/51	Moskovitz	2,707,645	5/ 3/55	Joint (Tie-Rod)
216,388	3/19/51	Moskovitz	(Adverse Decision On Appeal)	2/10/55	Method of Making Bearing Rings
223,014	4/26/51	Moskovitz	2,841,428	7/ 1/58	Tie-Rod Joint With Wear Compensating Bearing
233,029	6/22/51	Moskovitz	2,711,919	6/28/55	Sealing Unit (Water Pumps)
235,780	7/ 9/51	Moskovitz	2,676,045	4/20/54	Lubricant Sealed Tie-Rod Joint
289,529	5/23/52	Moskovitz	Abandoned	1/28/58	Joint Members
387,646	10/22/53	Moskovitz	2,873,130	2/10/59	Ball Joint Assembly
408,777	2/ 8/54	Moskovitz & Collier	2,977,131	3/28/61	Ball Joint Connecting Means
420,768	1/ 5/54	Moskovitz & Collier	2,953,401	9/20/60	Ball Joint Suspension Means for Steerable Wheels
467,339	11/ 8/54	Moskovitz	2,924,469	2/ 9/60	Suspensions, Ball Joint for Independent Steerable Wheel
486,487	2/ 7/55	Moskovitz	Abandoned	12/ 1/58	Steering Linkage
501,157	4/13/55	Moskovitz	Abandoned	1/22/58	Ball Joint Assembly
522,919	7/19/55	Moskovitz	2,836,442	5/27/58	Dust Seals for Ball Joints
549,693	11/29/55	Moskovitz	2,885,235	5/ 5/59	Ball Joint Assembly
563,634	2/ 6/56	Moskovitz	2,880,026	3/31/59	Resilient Coupling Means (Steering Linkage)
575,540	1/ 2/56	Moskovitz	2,857,190	10/21/58	Compression-Loaded Ball Joint
655,759	4/23/57	Moskovitz	2,848,260	8/19/58	Replaceable Ball Joint Unit

Ser. No	Filing Date	Inventor	Pat. No	Issue Date	Title
673,805	8/21/57	Moskovitz & Collier	2,977,131	3/28/61	Ball Joint Connecting Means
709,865	1/20/58	Moskovitz	2,936,188	5/10/60	Ball Joint Assembly Bearing Construction
709,921	1/20/58	Moskovitz			Seal (Ball and Socket Joint)
710,023	1/20/58	Moskovitz			Ball Joint Assembly Bearing Construction
756,824	8/25/58	Moskovitz			Ball and Socket Joint
797,246	3/ 4/59	Moskovitz	2,934,365	4/26/60	Ball Joint Assembly
797,247	3/ 4/59	Moskovitz	2,934,366	4/26/60	Pre-Assembled Ball and Socket Joint
821,810	6/22/59	Moskovitz	2,973,213	2/28/61	Axial and Thrust Absorbing Resilient Pivot Joints (Suspension Control Arms)

* Continuation of Ser. No. 408,777 filed 2/8/54 Moskovitz and Collier

7. Prior to June 17, 1953, Moskovitz and Frankel had been the owners of a corporation called Republic Engineering & Manufacturing Company, which was engaged in the business of having manufactured, and of selling, ball joints and tie-rod ends, and in the design of ball joint devices for front wheel suspension purposes and other devices. Since the plaintiff is a corporation of the same name, the corporation mentioned in this finding of fact shall be called the "old Republic". When the "Republic" or "new Republic" is used herein, it shall refer to the plaintiff herein.

8. Prior to June 15, 1953, in contemplation of a disposition of the business of old Republic, its name was changed to Neo-Tech Engineering and Manufacturing Company. Also on June 15, 1953, Frankel, Moskovitz and Neo-Tech entered into an Agreement, Exhibit 42 herein, setting forth their respective rights with respect to properties and interests of old Republic, or Neo-Tech. Also Moskovitz agreed in the said agreement to "assign to the corporation (Neo-Tech) all future patents issued and patent ap-

plications applied for and any improvements thereon concerning" four categories of devices including the tie rod ends, drag links, and ball joint suspensions, or in the alternative, at the direction of Frankel, Moskovitz was to assign 50% of the aforementioned to Frankel. Subsequently Neo-Tech forfeited its charter and is now defunct and assignments were made by Moskovitz directly to Frankel.

9. On June 17, 1953, a "License Agreement" was executed by defendants Milton A. Moskovitz, defendant Harry Frankel and their corporation, Neo-Tech Engineering and Manufacturing Company, as parties of the first part, and plaintiff Republic Engineering and Manufacturing Company as party of the second part. A copy of such contract was introduced in evidence as "Exhibit 2". Said document is sometimes referred to herein as an "exclusive license contract," and as an "exclusive license agreement". For convenience, a copy of said Exhibit 2 is hereby marked "Court's Addenda 1 to Findings of Fact", appended hereto and, by reference, incorporated herein as fully as if the same were set forth in hace verba at this place. Such license agreement, Exhibit 2, provided in paragraph numbered 2 on page 4 thereof:

> "2. Licensors jointly and severally grant to Licensee the exclusive right and license to make or have made, use and sell throughout the United States, under the hereinbefore designated patent and patent applications, including any reissue, divisional, continuation applications filed or patents issuing thereon, and under any and all future improvements made or acquired by said Licensors or either of them, movable joint devices as described on pages 2 and 3 hereof for any of the purposes hereinbefore specifically or generally stated, such exclusive rights, however, to be limited to the 'replacement' market, as that term is understood in the trade and as distinguished from the 'original equipment' market. * * *"

Such exclusive license agreement for the automotive replacement market was intended by plaintiff and the defendants Moskovitz and Frankel, and the then active Neo-Tech Engineering & Manufacturing Co., to apply to and cover (page 2 thereof):

> ". . . movable joint devices to be made or contemplated to be made will be of the ball type or substantially equivalent universally or semi-universally movable types of joints suitable in and to be used for one or more of the following purposes:
>
> 1. For automotive steering assemblies including steering arm joints, drag link ends, and tie rod ends;
>
> 2. For automotive wheel mounting and suspension assemblies including ball joint mounting and suspension parts;
>
> "3. Movable joint devices for other automotive parts, mountings, and assemblies; but this enumeration of purposes is illustrative only and does not limit the generality of this license to cover all of the aforesaid types of movable joint devices or patent applications owned or acquired by said Licensors or either of them."

10. Said License agreement, Exhibit 2, made certain other provisions as follows:

"(a) In paragraph 12, page 10 of said agreement, Moskovitz and Frankel agreed to supply "know-how" to enable Republic "to set up its production facilities and establish the manufacture of a full line of said licensed movable joint devices. . . ." Republic was to receive from Moskovitz "know-how" as improvements within the scope of said license agreement may be made from time to time. This paragraph was later modified on July 3, 1958, by a letter agreement between the parties including the following:

"The 'know-how' required of Milton A. Moskovitz shall be limited to the furnishing to this Company of drawings, disclosing original designs of and improvements in articles falling within the scope of agreements between you gentlemen and this Company, whether or not the designs or drawings and ideas thus disclosed are made the subject of patent applications" (Exhibit 34).

(b) Paragraph 13 of the exclusive license agreement, Exhibit 2, set forth that Moskovitz and Franke agreed to diligently prosecute the pending (June 17, 1953) applications for patent and

"to apply for and diligently attempt to obtain patents of the United States on all improvements made in the licensed items hereof, or which shall come within the scope of this license agreement: provided that if Licensors, after being requested by Licensee, do not diligently prosecute said applications, then Licensee shall have the right to assume and attempt to procure patents of the United States on such improvements as are thought to be patentable by Licensee, and to continue the prosecution of any of said currently pending applications for letters patent. . . ."

(c) Paragraph 18 of such exclusive license agreement (Exhibit 2) required defendant Moskovitz to keep plaintiff "informed, at all times of all improvements in movable joint devices . . . coming within the scope of this license agreement . . ."

11. The duration of said exclusive license agreement (Exhibit 2) was from June 17, 1953, the date of execution thereof to at least May 3, 1972, under the maxim "certum est quod certum reddi potest" for the following reasons:

A. The term or duration of such exclusive license contract, according to paragraph 20, page 15, thereof

(Exhibit 2), was for the full duration of the specific patent mentioned therein, United States Letters Patent No. 2,569,823 dated October 2, 1951. Since such patent (granted for 17 years) would have an expiration date of October 2, 1968; this Court specifically finds that such contract was intended by the parties thereto to be effective until at least October 2, 1968.

B. By its reference to an application for Letters Patent of the United States, Serial No. 235,780, filed July 5, 1951, this Court further specifically finds that the parties intended, on the date of the execution of said contract, particularly under said paragraph 20, page 15, thereof, that in the event a patent was issued on said Application No. 235,780, the term of such contract was to be extended for the 17 year duration of the patent which might be issued under such Application No. 235,780, and that since Letters Patent No. 2,676,045 were in fact issued on said Application No. 235,780 on April 20, 1954, such exclusive license contract was, on April 20, 1954, automatically further extended for the 17 year duration of said Patent No. 2,676,045, or until April 20, 1971.

C. By its reference to an application for Letters Patent of the United States, Serial No. 210,247, filed February 19, 1951, this court further specifically finds that the parties intended, on the date of the execution of said contract, according to paragraph 20, page 15, thereof, that in the event a patent was issued under Application No. 210,247, the term of such contract was to be further extended for the 17 year duration of the patent which might be issued under such application No. 210,247, and that since Letters Patent No. 2,707,645 were in fact issued on said Application No. 210,247 on May 3, 1955, such exclusive license contract was, on May 3, 1955, automatically further extended for the 17 year duration of said patent No. 2,707,645, or until May 3, 1972.

11A. It is the custom and practice in the automotive equipment field for manufacturers who buy patents, or who contract for the exclusive right to manufacture items covered by certain patents, to protect themselves by bargaining with the inventor-licensor for such patents, on such exclusive rights thereto, for the full duration of the patents identified, often for the added full duration of patents in the field of endeavor applied for but not yet granted, and for improvements thereon or in the field of such licensed item, because if such manufacturer did not do so, the inventor-licensor might, the day after entering into such contract, produce something which is such an improvement as to make the sold or licensed item relatively obsolete and thus utterly destroy the value of the exclusive license agreement.

12. The terms and provisions of the aforementioned exclusive license contract, Exhibit 2, with reference to its duration, as found in preceding paragraph 11 of these Findings, were sufficiently definite to establish that said contract extended far beyond the five year limitation contained in a certain sales agreement, identified in evidence as Exhibit GG, and that the contents of said Exhibit 2 (Court's Addenda 1) were sufficient for the court to find and determine that the expiration date of the exclusive license agreement, Exhibit 2, was at least May 3, 1972. In essence this is an action to enjoin a present violation of, and too to construe the ultimate termination of, such exclusive license contract (Exhibit 2). This Court further specifically finds that said exclusive license contract was in full force and effect at the time this action was instituted, at the time of the trial, at the time of the entry of these findings and at least until May 3, 1972, almost ten years after the date of these findings.

13. In the negotiations leading to the execution of such exclusive license agreement dated June 17, 1953 (Exhibit

2), said license agreement was drafted by patent counsel for plaintiff and was reviewed by patent counsel for defendants Moskovitz and Frankel, and in the negotiations on the terms and provisions thereof the plaintiff and defendants Moskovitz and Frankel were represented by general as well as patent counsel, and defendant Moskovitz, in addition thereto, had consultations with his own individual general attorney.

14. By their actions the principal parties to such exclusive license agreement (Exhibit 2) plaintiff Republic Engineering and Manufacturing Company (and its parent company, Moog Industries, Inc.), and defendant Milton A. Moskovitz have engaged in a course of conduct whereby they treated such agreement as being in full force to the date of trial, and as covering not only Patent No. 2,569,823 (issued prior to the date of execution of such exclusive license agreement), Patent No. 2,676,045 (issued pursuant to Application No. 235,780 mentioned in Exhibit 2) and Patent No. 2,707,645 (issued pursuant to Application 210,247 mentioned in Exhibit 2), but also to other patents subsequently issued on like devices. The Court specifically finds that plaintiff Republic has paid as royalties to defendants Moskovitz and Frankel, and that both Moskovitz and Frankel have accepted such payments as royalties under said exclusive license agreement (Court's Addenda 1) to and including June 30, 1961, on the following patents:

Pat. No.	Date of Issue	Title
2,707,645	May 3, 1955	Joint (Tie-Rod)
2,826,442	Mar. 27, 1958	Dust Seals for Ball Joints
2,848,269	Aug. 19, 1958	Replaceable Ball Joint Unit
2,857,190	Oct. 21, 1958	Compression-Loaded Ball Joint
2,885,235	May 5, 1959	Ball Joint Assembly
2,934,366	Apr. 26, 1960	Pre-Assembled Ball and Socket Joint
2,977,131	Mar. 28, 1961	Ball Joint Connecting Means

The sum total of all such payments of royalties to Moskovitz and Frankel, under the subject exclusive license agreement, to March 31, 1961, totaled $239,227.25 (Tran

script of Record page 1211 hereinafter sometimes referred as R. 1211). For the quarter ending June 30, 1961, additional like royalty payments amounted to approximately $21,400. The total volume of sales by plaintiff's parent corporation, Moog Industries, Inc., and Republic, of the tie rod ends and ball joints covered by said exclusive license agreement (Exhibit 2—Court's Addenda 1) to the date of trial amounted to approximately $6,000,000 (R. 1221) or $6,100,000 (R. 1231). Moog's gross profits on such sales amounted to $2,580,321.41 to March 31, 1961 (R. 1231). At the time of the execution of said exclusive license contract, plaintiff Republic, paid approximately $166,784.37 for the Neo-Tech equipment and inventory (R. 1209) and since 1953 Republic and its parent company, Moog Industries, Inc., has purchased additional equipment for manufacturing ball joints and tie rod ends under such exclusive license agreement in the amount of $213,144.24. In addition plaintiff and its parent corporation, Moog Industries, Inc., have expended substantial sums, such as $63,135.86 for engineering and $190,013.79 for advertising their products made pursuant to such exclusive license agreement.

15. The intent of the parties to the exclusive license contract, Exhibit 2, was not to limit the scope of the license only to patentable inventions made or acquired by Moskovitz or Frankel, but such agreement was intended to include all improvements, whether patentable or unpatentable, in the field of movable joint devices defined as by such exclusive license agreement (Exhibit 2).

16. In Cause #216181 in the Circuit Court of St. Louis County, Missouri, entitled "Harry Frankel v. Milton A. Moskovitz", a stipulation and agreement between defendants Frankel and Moskovitz was filed on June 2, 1958, providing that the aforesaid exclusive license agreement dated June 17, 1953 (Exhibit 2), was confirmed

and consented to by both Moskovitz and Frankel as to its existence and validity and as to the adequacy of consideration and as not being executed as a result of contractual conspiracy; that pursuant thereto a consent decree was entered, Exhibit 19, in said cause on the same day, June 2, 1958, embodying all the terms of said stipulation and agreement. Pursuant to said stipulation and decree Moskovitz conveyed to Frankel an undivided one-half of his interest in and to the patents and then pending applications for patents listed below:

Patent No.	Date Issued	Inventor	Description
2,569,823	10/ 2/51	Moskovitz	Self Lubricated Steering Knuckle Joint
2,676,045	4/20/54	Moskovitz	Lubricant Sealed Tie Rod Joint
2,707,645	5/ 3/55	Moskovitz	Joint
2,711,919	6/28/55	Moskovitz	Sealing Unit

Issued Patents

2,836,442, issued 5/27/58—Moskovitz—Dust Seal for Ball Joint

2,841,428, issued 7/ 1/58—Moskovitz—Tie Rod Joint with Wear Compensating Bearing

Pending Patent Applications

Serial No. 216,388, filed 3/19/51—Moskovitz—Method of Making Bearing Ring

Serial No. 289,528, filed 5/24/52—Moskovitz—Joint Members

Serial No. 387,646, filed 10/22/53—Moskovitz—Ball Joint Assembly

Serial No. 408,777, filed 2/ 8/54—Moskovitz—Front Wheel Suspension & Collect Means

Serial No. 420,768, filed 4/ 5/54—Moskovitz—Ball Joint Suspension & Collect Means for Steerable Wheels

Serial No. 467,31[illegible], filed 11/ 8/54—Moskovitz—Independent Steerable Wheel Suspension

Serial No. 488,487, filed 2/17/55—Moskovitz—Steering Linkage

Serial No. 501,457, filed 4/13/55—Moskovitz—Ball Joint Assembly

Serial No. 540,693, filed 11/ 2[illegible]/55—Moskovitz—Ball Joint Assembly

Serial No. 563,644, filed 2/ 6/56—Moskovitz—Linkage Joint

Serial No. 577,540, filed 4/ 2/56—Moskovitz—Compression Loaded Ball Joint

Serial No. 655,750, filed 4/29/57—Moskovitz—Replaceable Ball Joint Unit

Serial No. 679,805, filed 8/21/57—Moskovitz—Ball Joint Connecting & Coupling Means

Serial No. 700,865, filed 12/[illegible]/57—Moskovitz—Ball Joint Assembly [illegible]

Serial No. [illegible], filed [illegible]/58—Moskovitz—Seal

Serial No. [illegible], filed [illegible]/58—Moskovitz—Ball Joint Assembly

17. Between the summer of 1958 and the summer of 1961, defendant Moskovitz, acting personally and by and through his wholly-owned corporation, defendant Micro Precision Engineering Company, has designed, engineered, produced and made two general types of ball joints for replacement in automotive front end suspension assemblies of automobiles.

A. The first such type of ball joint, made for replacement in the General Motors line of certain 1955-7, and 1958-61 Chevrolet, 1958-61 Pontiac and 1958-60 Buick cars, were referred to in evidence as Exhibits 11A, 13A, 14A and 15A, and are herein referred to as Micro-Precision General Motors ball joints.

B. The second type of ball joints, made for replacement in the Chrysler line of certain 1958-61 Plymouth, Dodge and Windsor cars, was referred to in evidence as Exhibit 16A, and the same are referred to herein as Micro-Precision Chrysler Ball Joints.

18. The Micro-Precision General Motors ball joints referred to in paragraphs 17 and 17A hereof, supra, were manufactured in considerable quantities by defendant Apex Metal Products Company (hereinafter referred to as Apex) according to plans, specifications, data, and drawings furnished to Apex by defendants Moskovitz and Micro-Precision Engineering Company. Ball joints for replacement in said Chrysler cars (hereinafter referred to as Micro-Precision Chrysler ball joints) were manufactured and assembled in considerable quantities by Stile-Craft Manufacturers, Inc., of St. Louis, Missouri, according to plans, data and drawings furnished that company by defendants Moskovitz and Micro-Precision Engineering Company. Such Micro-Precision ball joints for replacement in the aforesaid General Motors cars

and in the aforesaid Chrysler cars have been sold, shipped and delivered in considerable quantities to the Perfect Equipment Company, a corporation, of Kokomo, Indiana, from the summer of 1960 through July of 1961, for marketing, distribution and sale throughout the United States in the automotive front end suspension ball joint replacement market.

19. In all such matters of designing, engineering producing, making, manufacturing, shipping, delivering, marketing, distributing and selling such Micro-Precision ball joints, the actions of defendant Moskovitz and the actions of his wholly-owned corporation, Micro-Precision Engineering Company, are specifically found to be, and to have been, so closely interrelated that it is specifically found that, for all purposes in this case, all actions of defendant Moskovitz subsequent to the incorporation of Micro-Precision Engineering Company on May 6, 1960, are found and held to be the actions of said Micro-Precision Engineering Company, and after said incorporation date, May 6, 1960, all actions of said Micro Precision Engineering Company are found and held to be the actions of defendant Moskovitz.

20. Under a purported contract entered into with defendant Micro-Precision Engineering Company, dated June 10, 1960, and referred to in evidence as Exhibit 9 (R. 27), said Perfect Equipment Corporation of Kokomo, Indiana has been marketing, selling and distributing, or attempting to market, sell and distribute throughout the United States the aforementioned Micro-Precision ball joints, for replacement in both the aforesaid General Motors cars and the aforesaid Chrysler cars from about September, 1960, to the date of the temporary restraining order issued in this cause on August 21, 1961.

21. All such marketing, selling and distributing of such Micro-Precision ball joints by said Perfect Equip-

ment Corporation, of Kokomo, Indiana (with chargeable knowledge by said Perfect Equipment Corporation of said exclusive license contract, Ex. 2), has been done at the instigation and request of defendants Moskovitz and Micro-Precision Engineering Company, and with full knowledge, approbation and approval by both said defendants of such marketing, sale and distribution of said Micro-Precision ball joints. This Court specifically finds that unless an injuction is issued in this cause said defendants Milton A. Moskovitz and Micro-Precision Engineering Company, will continue to market, sell and distribute or attempt to market, sell and distribute said Micro-Precision ball joints in the automotive front end suspension ball joint replacement market, throughout the United States, by and through said Perfect Equipment Corporation, of Kokomo, Indiana, or through some other marketing outlet.

22. In designing, engineering, producing and making (and through defendant Apex manufacturing and assembling), the Micro-Precision front end suspension ball joints for the lower control arm of the kind depicted by Exhibit 11A, for replacement in the 1955-57 General Motors line of Chevrolet cars, hereinafter referred to as the Micro-Precision Chevrolet ball joint, defendant Moskovitz, individually and through Micro-Precision Engineering Company, has made "improvements in movable joints" as those terms are used in the aforesaid exclusive license agreement (Exhibit 2 Court's Addenda 1) in the following respects:

A. This Court specifically finds that said Micro-Precision Chevrolet ball joints, of the kind depicted by Exhibit 11A, are fully, adequately and correctly described (in language of the kind often used in patent applications and claims) in the application for patent on such ball joint, Exhibit 17, and the sketches

and drawings pertaining thereto, Exhibit 17A. Without presuming to evaluate or pass upon the validity or invalidity of such application for patent, or the claims therein contained nor upon the patentability or lack of patentability of the "invention" described in such application for patent, this Court does adopt the language used therein (with the hereinafter noted exceptions and modifications) as a correct description of the Micro-Precision Chevrolet ball joint (Exhibit 11A) and the parts, specifications, characteristics, movements, functions and uses of such ball joint. This Court excepts from such adopted language the opening paragraph on page 1 of said application, beginning with the words "Be it known . . . " and ending with the words ". . . is a specification. . and excepts the entire last page entitled "Oath, Power of Attorney and Petition" of said Exhibit 17. This Court modifies said such adopted language contained in said Exhibit 17 by striking the word "invention" wherever it occurs therein, and inserting in lieu thereof the word "device". Subject to such exceptions and modifications this Court marks a copy of said Exhibit 17 and a copy of Exhibit 17A as "Court's Addenda 2 to Findings of Fact," attaches the same hereto, and by reference incorporates the same herein. This Court further specifically finds that the aforementioned Micro-Precision Chevrolet ball joint (Exhibit 11A) has all of the advantages, attributes and improvements listed in numbered paragraphs 1 through 8 inclusive (Pages 10 through 19 of said Addenda No. 2) following the words "What is claimed is:" and that each and every advantage, attribute and claim set forth in each of said numbered paragraphs 1 through 8 inclusive constituted "improvements in movable joints" as those terms are

used in the heretofore mentioned exclusive license agreement Exhibit 2 (Court's Addenda 1).

B. In so making such Micro-Precision Chevrolet ball joint, Exhibit 11-A, Moskovitz overcame the problems of end play in the stud of the ball joint manufactured by plaintiff under Moskovitz patents (Ex. 25A, Moog K 670 and 25A-1 Moog K 671) by devising a wear cup, Exhibit K-1, and rubber ring, Exhibit K-2, to be contained in the lower housing member, and to act as a spring to pre-load such ball joint. In such Micro-Precision joint, Ex. 11A. Moskovitz made the rubber ring, Ex. K-2, small enough to fit into the lower housing between the wear cup, Ex. K-1 and the internal surface of such lower housing. This was more than a simple adaptation of prior art disclosures to the dimensional limitations of the original equipment Chevrolet ball joint or the Moog K 670 and K 671 replacement joints (Ex. 25A and 25A-1) since it changed the resulting action and coaction of the parts in the respect that after the two (upper and lower) housing members of 11-A are secured firmly together, the rubber ring (Ex. K-2) acts between the lower housing member and the wear cup (Ex. K-1) to constantly and resiliently urge the ball or head portion of the stud into contact with the upper housing member, thus inhibiting stud end play and decreasing resultant noise in car operation.

C. An additional purpose of preloading such ball joint with rubber (Ex. K-2) as is done in the Micro-Precision Chevrolet ball joint (Ex. 11A) is to maintain the stud in contact with the upper housing to prevent destructive hammering on the upper housing, and at the same time, to allow the parts a certain degree of freedom to move in response to wheel motion.

D. Since the wear cup (Ex. K-1) is hardened and takes substantially all of the wear on the lower housing member in the Micro-Precision Chevrolet ball joint (Ex. 11-A), it is unnecessary to surface-harden such lower housing member. However, since the main load and wear on such ball joint is taken by the upper housing member, the latter is surface hardened by a carbonitride operation to a depth of a few thousandths of an inch. The inner core below that depth is maintained unhardened, soft and ductile.

E. The reduced size of the rubber ring, Exhibit K-2, permits the ring material freedom of action at all times to control the wear cup, Ex. K-1, so as to relieve the unhardened lower housing member of as much metal-to-metal contact as possible.

F. In the Micro-Precision Chevrolet ball joint, Ex. 11-A, using the rubber preloading, the permissive movement of the stud away from the housing is limited to approximately 0.010 inch. This produces only a slight deformation of the rubber ring (Ex. K-2). When stud end play exceeding that amount occurs, there is metal contact between the parts of the ball joints, and the rubber ring, Ex. K-2, is not deformed any further, but the rubber ring provides a firm bed for the wear cup, Ex. K-1, and constantly and resiliently urges the stud back into proper position for normal action.

G. The Micro-Precision Chevrolet ball joint, Ex. 11-A, is made to be pre-assembled by providing bolt holes in both housing members of substantially the same diameters and press fitting bolts of a slightly larger diameter through both holes, thereby achieving more economical production by eliminating the step of hardening the lower housing member.

This is in contrast to the original equipment ball joints which are permanently preassembled by spot welding. It is also different from, and an improvement upon, the pre-assembly provisions of Moskovitz Patent 2,934,366 (which had been exclusively licensed to plaintiff under the terms of the license agreement Ex. 2). In the 2,934,366 patent the pre-assembly is provided by enlarging the bolt holes in one housing (such as the lower housing of Exhibit 11A) and press fitting the bolts only into smaller holes of the other housing, resulting in a comparatively loose fit of the bolt on the lower housing and a tight fit on only the upper housing.

H. With respect to fastening the two housing members of Ex. 11-A together by press fitting the securing bolts through pre-formed holes therein, there is a practical economical difference between having only the upper housing hardened and the lower housing left unhardened on the one hand; and surface hardening both the upper and lower housings, on the other hand as in Moskovitz patent 2,934,366.

I. In the Micro-Precision Chevrolet ball joint (Exhibit 11A), the assembly of the hardened upper housing and the relatively softer lower housing is made by forming bolt holes of the same size in each of the housings and press fitting bolts of a slightly larger diameter into the aligned holes to provide a friction fit of the bolts in the holes. The characteristics of this form of assembly which are important are the use of bolts which have a slightly larger diameter than the bolt holes, and slightly harder surface condition than that of the relatively softer lower housing so that the bolts in being press-fitted through the holes of the lower housing tend to scathe and expand the holes in such lower housing without affecting the

harder surface of the shank of the bolt. However, when the bolt is press fitted, in the same operation, through the holes in the hardened upper housing the bolt diameter is affected, either by a very slight shaving or scathing of the bolt surface or by rubbing action all of which produces a desirable tight fit between the medium hard bolt and the softer lower housing and the harder surface of the hole in the upper housing.

23. In designing, engineering, producing and making (and through defendant Apex manufacturing and assembling) the Micro-Precision front end suspension ball joints of the kind depicted by Exhibit 13A for the General Motors line of 1958-61 Pontiac cars, and of the kind depicted by Exhibit 15A for the General Motors line of 1958-60 Buick cars, defendants Moskovitz and Micro-Precision Engineering Company have made "improvements" in movable joints, as those terms are used in the exclusive license agreement (Exhibit 2) in substantially the same respects as those heretofore set forth in detail in paragraph 22 of these findings.

24. In designing, engineering, producing and making (and through defendant Apex manufacturing and assembling) the Micro-Precision front end suspension ball joints of the kind depicted by Exhibit 14A for the General Motors line of 1958-61 Chevrolet cars, defendants Moskovitz and Micro-Precision Engineering Company have made "improvements in movable joints", as those terms are used in the exclusive license agreement (Exhibit 2) in substantially the same respects as those heretofore set forth in detail in subparagraphs "A" through "F" of paragraph 22 of these findings.

25. In designing, engineering, producing and making the Micro-Precision Chrysler ball joints (referred to in

Paragraph 17 and 17B hereof, supra), of the kind depicted by Exhibit 16A, for replacement in the 1957-61 Plymouth, Dodge and Windsor lines of Chrysler cars, defendant Moskovitz, individually and through defendant Micro-Precision Engineering Company, has made "improvements in movable joints" as those terms are used in the aforesaid exclusive license agreement (Exhibit 2, Court's Addenda 1) in the following respects:

A. This Court specifically finds that said Micro-Precision Chrysler ball joints, of the kind depicted by Exhibit 16A, are fully, adequately and correctly described (in language of the kind often used in patent applications and claims) in the application for patent on such ball joint, Exhibit 18, and the sketches and drawings attached thereto. Without presuming to evaluate or pass upon the validity or invalidity of such application for patent, or the claims therein contained nor upon the patentability or lack of patentability of the "invention" described in such application for patent, this Court does adopt the language used therein (with the hereinafter noted exceptions and modifications) as a correct description of the Micro-Precision Chrysler ball joint (Exhibit 16A) and the parts, specifications, characteristics, movements, functions and uses of such ball joint. This Court excepts from such adopted language the opening paragraph on page 1 of said application (Exhibit 18), beginning with the words "Be it known . . ." and ending with the words ". . . is a specification.", and excepts the entire last page entitled "Oath, Power of Attorney and Petition" of said Exhibit 18. This Court modifies said such adopted language contained in said Exhibit 18 by striking the word "invention" wherever it occurs therein, and inserting in lieu thereof the word "de-

vice". Subject to such exceptions and modifications this Court marks a copy of said Exhibit 18 as "Court's Addenda 3 to Findings of Fact", attaches the same hereto, and by reference incorporates the same herein. This Court further specifically finds that the aforementioned Micro-Precision Chrysler ball joint (Exhibit 16A) has all of the advantages, attributes and improvements listed in numbered paragraphs 1 through 9 inclusive (Pages 10 through 15 of said Exhibit 18, Court's Addenda No. 3) following the words "What is claimed is:", and that each and every advantage, attribute and claim set forth in each of said numbered paragraphs 1 through 9 inclusive of said Exhibit 18 constituted "improvements in movable joints" as those terms are used in the heretofore mentioned exclusive license agreement Exhibit 2 (Court's Addenda 1).

B. Said Micro-Precision Chrysler ball joint can be removed from its carton, manually taken apart by unscrewing cap (26 in the drawing attached to Exhibit 18), and the internal parts thereof easily shown to service men and by them to their prospective automobile-owner customers, or other interested persons whereas the original equipment counterpart (Defendant's Exhibit A), as well as the Moog counterpart, Ex. 26A, of such Micro-Precision Chrysler ball joints are permanently sealed cartridge type ball joints which cannot be taken apart. In appearance and visible function such Micro-Precision Chrysler ball joint looks and feels like a splendidly engineered, functionally efficient piece of mechanism. The pre-loading compression within the retainer can be readily demonstrated and felt by manual pressure applied by the service man, his prospective customer and others interested in the device.

C. The substitution of the knurling on the Micro-Precision Chrysler ball joint (Ex. 16A) for the threading on the original equipment ball joint (Ex. A), as well as the Moog cartridge type ball joint (Ex. 26A) constitutes an added sales-inducing feature. With such knurling the Micro-Precision Chrysler ball joint can be efficiently and safely used as a replacement ball joint in the designated Plymouth, Dodge and Windsor cars even when the eye of the control arm has badly worn or obliterated threading, whereas under like wear conditions of said eye it is often necessary to replace the entire control arm in order to efficiently and safely make a replacement of the cartridge type ball joints such as the Moog counterpart (Moog K711) Exhibit 26A or the original equipment joint, Exhibit A.

D. Such Micro-Precision Chrysler ball joint (Ex. 16A) has, as a pre-loading feature, a wear plate and compression spring firmly contained in the cap of such Exhibit 16A. This has the advantage of factory pre-set compression pre-loading feature which can be easily and readily seen, felt and appreciated by service men, their prospective customers and others without the disadvantage of causing the installation mechanic to worry about, or face the hazard of, a spring coming loose from the device during the process of installation.

E. Such Micro-Precision Chrysler ball joint can be more easily, more efficiently and more quickly replaced than its Moog counterpart (Exhibit 26A).

26. At an Automotive Service Industry Association show held in Los Angeles in February, 1961, plaintiff Republic learned that Moskovitz, individually and through his wholly owned Micro-Precision Engineering Company, was

producing (and marketing through Perfect Engineering Company of Kokomo, Indiana) ball joints for replacement in certain cars, and especially ball joints of the kind described in evidence as Exhibit 11A, and thereafter plaintiff caused its own attorneys (without the benefit of the know-how from Moskovitz) to prepare patent applications in the name of Moskovitz (the same being Exhibit 17 relating to the Micro-Precision Chevrolet ball joint (Ex. 11A) and Exhibit 18 relating to the Micro-Precision Chrysler ball joint (Exhibit 16A)). Said patent applications have been accepted by the U. S. Patent Office.

27. Defendant Moskovitz had an obligation under the aforesaid exclusive license agreement, Exhibit 2, to impart the information about his aforementioned improved ball joints (Ex. 11A, 13A, 14A, 15A and 16A) to plaintiff. The exclusive license agreement (Ex. 2, paragraph 13, page 11, Court's Addenda 1) is construed to provide that if plaintiff believed that improvements in ball joints made by defendant Moskovitz might be patentable plaintiff had the right to prosecute applications for patent which includes the preparation and filing of papers and other work essential to obtain issue of patents, and the right to "attempt to procure patents of the United States on such improvements as are thought to be patentable by licensee." The claim by Moskovitz that he did not invent the devices referred to as Exhibits 11A, 13A, 14A, 15A and 16A, is contrary to other admissions made by him and to other evidence in the cause. His failure to deny that he originated substantially all of the subject matters of Exhibits 11A, 13A, 14A, 15A and 16A is significant, and his contention that such ball joints lacked patentability is a legal conclusion and should be disregarded. The reasons stated by Moskovitz for failing to sign the patent applications Exhibits 17 and 18 or any applications for patents on Exhibits 11A, 13A, 14A, 15A and 16A are disregarded herein.

28. The ball joint devices of Plaintiff's Exhibits 11A, 13A, 14A and 15A, for replacement i the General Motors cars, embody a new combination of parts with a new mode of operation or result which has simplified and increased the efficiency of the devices, and as such constitutes a valuable improvement in the art.

29. The ball joint of Plaintiff's Exhibit 16A for replacement in certain Chrysler cars, embodies a new combination of parts with a new mode of operation and installation which has simplified and increased the efficiency of the device, and as such constitutes a valuable improvement in the art.

30. Plaintiff and its parent corporation Moog Industries, Inc., have been manufacturing and selling movable joint devices under Moskovitz patents in the replacement market since 1956 throughout the United States, and through the years, have built up a large and extensive business in said devices. Plaintiff and its parent corporation, Moog Industries, Inc., have a large investment in tools and dies for the manufacture of movable joint devices and have spent large sums of money in advertising said movable joint devices in various ways since the devices were first marketed, and the plaintiff and its parent corporation, Moog Industries, Inc., are possessed of great prestige and a high reputation in the automotive replacement market as leaders in the automotive replacement industry which this Court specifically finds to be a highly competitive industry.

31. Defendant Moskovitz has admitted and stated to others, in referring to ball joints like 11A and 16A, that he had designed and made improved and better ball joints than the plaintiff and Moog Industries, Inc. now market and distribute (under his aforementioned prior patents). Despite denials by defendant Moskovitz on the witness stand that the said two types of ball joints (like Exhibits

11A and 16A) are not improvements on, and are not better than, the ball joints marketed by plaintiff and Moog Industries, Inc. under Moskovitz's patents, and despite Moskovitz's assertions that such joints are not patentable, this Court finds that said two types of ball joints, more fully described in paragraphs 22 and 25 hereof, are improvements over movable joint devices now being marketed and sold by the plaintiff and its parent corporation, Moog Industries, Inc., under the aforementioned license agreement. In so finding with reference to such "improvements" this Court refrains from expressing any opinion regarding, or making any factual finding regarding, the patentability or lack of patentability of such "improvements." This Court further finds that the defendant Moskovitz has breached the license agreement by refusing to keep the plaintiff informed (Findings 13 and 27) as to the aforesaid two types of improved ball joints, defendant Moskovitz has failed to supply plaintiff any details or drawings for any such improvements as provided in said licensing contract Exhibit 2 and has refused to make patent applications for each type of ball joint, or to sign pertinent patent applications in the defendant Moskovitz's name and behalf, under the terms of said license agreement.

32. Plaintiff has suffered irreparable injury to its rights under the exclusive license agreement, Exhibit 2, and it is obvious that injury has been sustained by plaintiff, and its parent corporation Moog Industries, Inc., to their reputation as leaders in their field by the actions of Moskovitz and his wholly owned and controlled corporation Micro-Precision in manufacturing and selling such improved ball joints in the replacement market in competition with plaintiff and Moog. The Court finds as a fact that the Plaintiff has been damaged by the aforesaid actions of the defendants Moskovitz and Apex Metal Products Co. and Micro Precision Engineering Co. and unless enjoined

plaintiff and its parent corporation Moog Industries, Inc. will in the future be damaged in a large amount presently impossible to compute in dollars, and their large investment in equipment, engineering and advertising (heretofore mentioned) greatly endangered and rendered less valuable.

33. Defendant Moskovitz since August, 1956 with the exception of one telephone conversation with the chief engineer of Moog Industries, Inc. has failed to comply with the provisions of paragraph 18 of the license agreement (Exhibit 2) by failing to keep plaintiff informed of improvements in automotive wheel mountings, suspension assemblies and improvements in movable joints for assemblies made by him as set forth under the provisions of said license contract. Defendant Moskovitz, since August 1956 with the exception of the telephone call above noted, has failed to give assistance and "know-how" to the plaintiff in order to enable it to manufacture and sell the movable joint devices which had been or were being designed by Moskovitz for his own purposes, but which are within the scope of the license agreement, as required in said license contract. The Court specifically finds that two types of ball joint devices heretofore referred to as Exhibits 11-A and 16-A (designed, manufactured and sold by the defendants Moskovitz and Micro Precision Engineering and Manufacturing Co.) are of the type which the parties intended would come within the scope of said exclusive license contract as improvements, whether patentable or unpatentable.

34. Plaintiff has performed all of its obligations under said licensing contract and has paid or tendered payments for all royalties due to the defendants Moskovitz and Frankel, including the sum of $922.78 which was tendered to the said Moskovitz in open court by plaintiff and was refused by Moskovitz and was deposited on November 2,

1961 in the Registry of Court for the benefit of said Moskovitz.

35. The defendants Moskovitz and Micro-Precision Engineering Company, in designing, engineering, producing, making, manufacturing, shipping, delivering, marketing, distributing and selling said Micro-Precision General Motors and Micro-Precision Chrysler ball joints in the replacement market in competition with plaintiff [the exclusive licensee under the license agreement (Exhibit 2) of June 17, 1953], have breached said exclusive license agreement, and thereby damaged plaintiff in the amount of Two Thousand Dollars ($2,000) in accordance with the stipulation filed under date of July 9, 1962, and this court specifically finds that unless an injunction is issued in this cause said defendants Milton A. Moskovitz and Micro-Precision Engineering Company, will continue to, or attempt to continue to, breach said agreement, and cause further damage and irreparable injury to plaintiff, by designing, engineering, producing, making, manufacturing, shipping, delivering such ball joints and by marketing distributing and selling said ball joints in the replacement market in competition with plaintiff, throughout the United States, by and through said Perfect Equipment Corporation, of Kokomo, Indiana, or through some other marketing outlet.

36. On April 24, 1961, and long prior to the institution of this suit, plaintiff gave written notice to defendant Apex Metal Products Co. (which was manufacturing and assembling ball joints for defendant Moskovitz and his wholly owned corporation, Micro Precision Engineering and Manufacturing Co., for sale in the automotive replacement market), that said ball joint devices were such improvements on movable joint devices that the exclusive right to manufacture and market the same had been granted to plaintiff by defendant Moskovitz under an exclusive

license agreement to make and sell the same in the replacement market throughout the United States. Plaintiff in such letter notified Apex that by continuing to manufacture said products, defendant Apex was aiding and abetting the defendant Moskovitz in breaching his aforementioned exclusive license agreement and in said communication plaintiff called upon defendant Apex to immediately cease and desist from the further manufacture, assembly or sale of said ball joints. Notwithstanding said notice, Apex Metal Products Co. continued to manufacture and ship said devices on behalf of defendants Moskovitz and Micro-Precision Engineering Company and continued to do so until sometime in July, 1961, approximately two months after the institution of this cause.

37. The defendants Moskovitz and Micro Precision Engineering Company on September 13, 1961, and after the issuance of the temporary injunction against them and without permission of this Court did ship from St. Louis to Perfect Equipment Corporation, Kokomo, Indiana (and out of the territorial jurisdiction of the Court) all the tools and dies used in the manufacture of said ball joint devices, without just cause or excuse. The Court further finds that the only reason for said shipment out of the State was to attempt to place said dies beyond the jurisdiction of this Court.

38. A certain agreement was entered into on June 15, 1953, by defendant Harry H. Frankel, defendant Milton A. Moskovitz and the now defunct Neo-Tech Engineering and Manufacturing Company (marked Exhibit 42). Paragraph 14 of said contract provided:

> "Moskovitz agrees that in addition to interest in patents heretofore assigned to Frankel, he will assign to the corporation all future patents issued and patent applications applied for and any improvements thereon concerning the following:

a) water pump seal.

b) tie rod ends and drag links

c) ball joint suspensions

d) bonded to metal rubber bushings or in the alternative at the direction of Frankel, Moskovitz will assign fifty per cent (50%) of the aforementioned to Frankel."

The aforesaid agreement, with other contracts, including the exclusive license agreement (Exhibit 2) referred to in these findings, was the subject of litigation in a cause of action filed in the Circuit Court of the County of St. Louis, Missouri, entitled "Harry Frankel, Plaintiff, vs. Milton A. Moskovitz and Leon Fine, Defendants," No. 216,181, Division No. 2, previously mentioned in paragraph 16 hereof. A decree was entered in said St. Louis County case on July 3, 1958, and a copy of the decree entered in such case was admitted in evidence in this cause as Plaintiff's Exhibit 20. Under paragraph 1a of such decree, said contract was determined to be ". . . existing and valid and is supported by adequate consideration and that said contracts were not executed as a result of a contractual conspiracy . . .". Further, under the provisions of paragraph VII on page 5 of said decree, Moskovitz was ordered to assign to Frankel a fifty per cent interest in and to certain enumerated patents

". . . together with any patent applications now filed or to be made in the future by Moskovitz individually or jointly with any other individual on water pump seal, tie rod ends and drag links, **ball joint suspensions**, and bonded to metal rubber bushings including devices and articles as defined in paragraph VI hereof." (Emphasis supplied.)

Paragraph VI of said decree provided:

". . . the term 'balljoint suspensions,' for the purpose of this decree, includes balljoints, balljoint as-

semblies, balljoints for upper and lower control arms of suspension system and structures constituting parts of balljoints and balljoint assemblies including but not limited to movable joint devices for use in motor vehicle suspension systems and steering systems and linkages therefor."

From the above and other evidence, this Court specifically finds that the contract between Frankel, Moskovitz and Neo-Tech Company, Exhibit 42, was and is to be construed subject to the provisions of such St. Louis County decree, Exhibit 20, and that defendant Milton A. Moskovitz is estopped from reasserting here any matters adjudicated in such decree, and that said contract, Exhibit 42, is now in full force and effect.

39. Under date of March 20, 1961, in a letter from Frankel's attorney, Ralph W. Kalish, to Moskovitz' attorney, Ben Zillman (Frankel's Exhibit 2), Frankel demanded that Moskovitz assign a one-half interest in the improvements

"... in ball-joint suspensions conceived, developed and reduced to practice by your client, Milton A. Moskovitz, and which, we understand is being sold by Micro Precision and Engineering Co."

Under date of June 19, 1961, in a letter sent to Moskovitz by Frankel's attorney, Ralph W. Kalish (Frankel's Exhibit 2), Frankel demanded that Moskovitz assign to Frankel an undivided one-half interest

"... in and to your invention in Ball Joints, as set forth described and claimed in a certain patent application presented to you for execution by letter dated June 6, 1961, from Gravely, Lieder and Woodruff, and in and to the aforesaid patent application."

From this and other evidence, this Court specifically finds that Frankel had directed Moskovitz to assign to

Frankel, in accordance with the aforesaid paragraph 14 of the contract of June 15, 1953 (Exhibit 42), an undivided one-half interest in and to the applications for patent on, and any patent that might be issued on the ball joints referred to in paragraphs 22 to 25, inclusive of these findings, all of which are more fully described in Addenda 2 and 3 to these findings of fact, and referred to as Applications for Letters Patent Serial Numbers 144,278 and 144,280 in the records of the United States Patent Office. There was no adequate reason adduced in evidence from which this Court could find that defendant Moskovitz should not assign to Frankel fifty per cent of whatever interest, if any, Moskovitz had in such applications for patents referred to in evidence as Exhibits 17 and 18.

Conclusions of Law.

This Court does hereby make, enter and declare the following Conclusions of Law in this Cause:

1. This Court has jurisdiction of the parties hereto and the subject matter in controversy.

2. The exclusive license agreement referred to in the findings of fact, and marked Court's Addenda 1 to Findings of Fact, is valid, legal and binding on the parties thereto, and is in full force and effect and will continue to be in full force and effect until at least May 3, 1972. This Court specifically concludes that it is not necessary, for the disposition of the issues in this case, to now determine whether such contract may or may not be further extended into the future by reason of the issuance of any patents on any patent application not identified by number in such exclusive license agreement.

3. Such exclusive license agreement is not inequitable, is not in violation of the anti-trust laws of the United States or of the State of Missouri, is not in unlawful

restraint of trade or competition, and is not an unreasonable restraint upon the rights of the parties thereto particularly defendant Milton A. Moskovitz, and the counter claim filed by the defendant Moskovitz and Micro-Precision as amended, should be denied.

4. Plaintiff has performed all of its obligations, to date of trial, under such exclusive license agreement, and plaintiff has come into this Court "with clean hands."

5. The ball joint devices for automobile front end suspension purposes, more particularly described in the Findings of Fact, particularly paragraphs 22 through 25 and Court's Addenda No. 2 and No. 3 to the Findings of Fact, constitute "improvements in movable joints" made by licensor Milton A. Moskovitz, for the purpose of the "replacement market" as those quoted terms are used in the exclusive license agreement, Court's Addenda 1 to Findings of Fact, and such ball joint devices come within the scope of, and are covered by, such exclusive license agreement. This Court is not required to, and does not undertake to, pass upon the patentability or lack of patentability of such ball joints.

6. The actions of defendants Milton A. Moskovitz and Micro-Precision Engineering Co. in designing, engineering, producing and making (and the actions of defendant Apex Metal Products Co. in manufacturing and assembling) such ball joints referred to in the preceding paragraph, constitute violations of the terms of the aforesaid exclusive license agreement, Court's Addenda 1 to Findings of Fact.

7. The actions of defendant Milton A. Moskovitz, defendant Micro-Precision Engineering Company and defendant Apex Metal Products Company in shipping and delivering the aforementioned ball joints to Perfect Equipment Corporation of Kokomo, Indiana, for marketing, distribution and sale of such joints by the latter corpora-

tion constitute violations of the terms of the aforesaid exclusive license agreement, Court's Addenda 1 to Findings of Fact.

8. Such violations of said agreement have injured and damaged plaintiff in the amount of Two Thousand Dollars ($2,000), and plaintiff is entitled to judgment therefor. This Court further concludes that unless relief is granted by this Court, plaintiff will, in the future, continue to suffer further irreparable injury and damage to its reputation in the replacement market field, to its investment in equipment, engineering and advertising and to its business, in a large amount presently impossible to compute in dollars. Plaintiff has no adequate remedy at law, and is entitled to an order of this Court of Equity to restrain all such violations of such exclusive license agreement.

9. Defendant Milton A. Moskovitz had a duty, under the terms of the aforesaid exclusive license agreement to impart information to plaintiff concerning, and to ". . . diligently attempt to obtain patents of the United States . . ." on, the ball joints referred to in paragraph 5 hereof (and in Court's Addenda 2 and 3 to Findings of Fact). Said defendant Milton A. Moskovitz violated this duty and refused to make application for patents on such devices, as more particularly set forth in the Findings of Fact, particularly paragraph 27 thereof. Under such circumstances the exclusive license agreement (Addenda 1) gave plaintiff the right to ". . . attempt to procure patents of the United States on such improvements as are thought to be patentable by Licensee . . ." (Emphasis supplied). By filing the applications for patents, Exhibits 17 and 18 in evidence, on the ball joints referred to in paragraph 5 hereof, this Court finds and concludes that plaintiff thought such ball joints were patentable.

10. The tools, dies, machinery, equipment and drawings used for the manufacture and production of the ball joints

referred to in paragraphs 22 to 25 of the Findings of Fact, and particularly described in Court's Addendas 2 and 3 to such findings should not be used for the manufacture or production of any more such ball joints for distribution in the "replacement" market except through plaintiff or its assigns. This result can best be accomplished by having such tools, dies, machinery, equipment and drawings returned to the exclusive custody and control of defendant Milton A. Moskovitz until at least May 3, 1972, and orders to that effect should be entered herein.

11. Defendant Milton A. Moskovitz had and has an obligation to assign to defendant Harry Frankel fifty per cent (50%) of whatever interest Moskovitz has in and to certain applications for patents bearing Serial Numbers 144,278 and 144,280, and an order should be entered herein requiring defendant Moskovitz to do so.

12. As to the decree entered in Cause #216,181 in the Circuit Court of St. Louis County, Missouri (Plaintiff's Exhibit 20) entitled Harry Frankel v. Milton A. Moskovitz et al., it is found and concluded by this Court that such decree is rês adjudicata as to the validity of the contract between the parties Moskovitz and Frankel in this action, and the said Moskovitz is estopped to deny the validity thereof as to cross claimant Frankel.

Order and Judgment.

It is ordered, adjudged and decreed that:

A. Defendants Milton A. Moskovitz, and Micro Precision Engineering Company, and their agents, servants, employees and assigns be, and they are hereby restrained and enjoined, from the date of this decree to May 3, 1972, from violating the terms of the exclusive license agreement marked Court's Addenda 1 to Findings of Fact, by designing, engineering, producing, making, manufacturing,

assembling, shipping, selling, marketing or distributing directly or indirectly, for the use of any person, firm or corporation (other than plaintiff or its assigns) for the purpose known in the automotive trade as the "replacement" market (as distinguished from the "original equipment" market), any and all ball joints of the kind referred to in evidence as Chevrolet, Pontiac, Buick, Plymouth, Dodge and Chrysler ball joints (Exhibits 11-A, 13-A, 14-A, 15-A, and 16-A) and as described in paragraphs numbered 17, 18, 22, 23, 24 and 25 of the Findings of Fact of this decree.

B. Defendants Milton A. Moskovitz and Micro-Precision Engineering Company, and their agents, servants, employees and assigns, be, and they are hereby restrained and enjoined, from the date of this decree to May 3, 1972, from violating the terms of the exclusive license agreement marked Court's Addenda 1 to Findings of Fact, by designing, engineering, producing, making, manufacturing, assembling, shipping, selling, marketing or distributing directly or indirectly for the use of any person, firm or corporation (other than plaintiff or its assigns) for the purpose known in the automotive trade as the "replacement" market (as distinguished from the "original equipment" market), any and all present or future improvements in "movable joint devices", patentable or unpatentable, made or acquired, directly or indirectly, by defendant Milton A. Moskovitz at any time prior to May 3, 1972. By the term "movable joint devices", as that term is used in this Order and Judgment, is meant joints, made or contemplated to be made, of the ball type or substantially equivalent universally or semi-universally movable types of joints suitable in and to be used for one or more of the following purposes:

1. For automotive steering assemblies including steering arm joints, drag link ends, and tie rod ends;

2. For automotive wheel mounting and suspension assemblies including ball joint mountings and suspension parts;

3. Movable joint devices for other automotive parts, mountings and assemblies.

C. Defendant Apex Metal Products Company, its agents, servants and employees be and are hereby restrained and enjoined from the date of this Decree to May 3, 1972, from:

1. Aiding or abetting, directly or indirectly, defendants Milton A. Moskovitz and Micro-Precision Engineering Company or either of them, in any matter restrained and enjoined in either paragraph A or paragraph B of this Order and Judgment.

2. Designing, engineering, producing, making, manufacturing, assembling, shipping, selling, marketing, and distributing for the use of any person, firm or corporation (other than plaintiff or its assigns) for the purpose known in the automotive trade as the "replacement" market (as distinguished from the "original equipment" market), any and all ball joints designed, improved or made by defendant Milton A. Moskovitz, of the kind referred to in evidence as Chevrolet, Pontiac, Buick, Plymouth, Dodge and Chrysler ball joints (Exhibits 11-A, 13-A, 14-A, 15-A and 16-A) and described in paragraphs numbered 17, 18, 22, 23, 24 and 25 of the Findings of Fact of this Decree.

3. Designing, engineering, producing, making, manufacturing, assembling, shipping, selling, marketing and distributing, for the use of any person, firm or corporation other than plaintiff or its assigns for the purpose known in the automotive trade as the "replacement" market (as distinguished from the "original equipment" market), any and all present or future

improvements in "movable joint devices" designed, made or acquired, directly or indirectly, by defendant Milton A. Moskovitz at any time prior to May 3, 1972.

E. Defendants Milton A. Moskovitz and Micro-Precision Engineering Company are further enjoined, ordered and directed to return to the custody of defendant Milton A. Moskovitz, in the City of St. Louis, Missouri, within twenty days of the entry of this Decree, all tools, dies, machinery, equipment, and drawings heretofore used by said defendants, or by defendant Apex Metal Products Company on behalf of said defendants Moskovitz and Micro Precision Engineering Company, in the manufacture and assembly of ball joints of the kind referred to in evidence as Exhibits 11A, 13A, 14A and 15A (and more fully described in paragraphs 22 to 24 of the Findings of Fact part of this Decree), which tools, dies, equipment and drawings had heretofore been sent to the Perfect Equipment Company of Kokomo, Indiana, during the course of the proceedings in this cause, as found in paragraph 37 of the Findings of Fact.

F. Defendants Milton A. Moskovitz and Micro Precision Engineering Company are further enjoined, ordered and directed to keep and retain, in the custody of defendant Milton A. Moskovitz, all tools, dies, equipment, machinery and drawings owned by said defendants or either of them and heretofore used by said defendants, or by others acting for them, in the manufacture and assembly of ball joints of the kind referred to in evidence as Exhibit 16A (and more fully described in paragraph 25 of the Findings of Fact part of this Decree).

G. Defendants Milton A. Moskovitz and Micro Precision Engineering Company are hereby specifically restrained and enjoined from using, or permitting others to use any of the tools, dies, machinery, equipment and drawings referred to in paragraphs E and F, supra, for any of the

purposes referred to in paragraphs A or B, supra, and said defendant Milton A. Moskovitz is hereby specifically enjoined, ordered and directed to maintain and retain full and complete custody and control of all such tools, dies, machinery, equipment and drawings until May 3, 1972.

H. The counter claim of defendants Milton A. Moskovitz and Micro Precision Engineering Company is denied, and the judgment thereon, is in favor of plaintiff.

I. Defendant Moskovitz is ordered to assign an undivided ½ interest to cross claimant Frankel in and to each of said United States Patent applications Serial Nos. 144,278 and 144,280 herein identified as Exhibits 17 and 18, and Judgment will be in favor of cross claimant Frankel against defendant Moskovitz on said cross claim.

J. Defendant Milton A. Moskovitz is hereby enjoined, ordered and directed to assign to defendant Harry Frankel, within twenty (20) days of the entry of this decree, fifty per cent (50%) of whatever interest defendant Milton A. Moskovitz has in and to certain applications for patents bearing Serial Numbers 144,278 and 144,280, all as more fully described in Court's Addenda 2 and 3 to the Findings of Fact part of this decree.

K. Plaintiff have and recover judgment against Defendants Milton A. Moskovitz and Micro-Precision Engineering Co., a corporation, in the sum of Two Thousand Dollars ($2,000). This decree as herein amended and entered shall constitute a final order, judgment and decree.

L. Costs of this action are hereby assessed against Defendants Milton A. Moskovitz and Micro-Precision Engineering Co.

Entered this 10th day of July, 1962.

John C. Casey,
Judge, Div. 3.